

Testimony of Richard Benham  
Vice President, Local 1298  
Communications Workers of America

Concerns about Proposed Bill:

SB 1024 – AN ACT MODERNIZING THE STATE'S TELECOMMUNICATIONS  
LAWS

Energy and Technology Committee  
February 24, 2010

Good afternoon, Senator Fonfara and Representative Nardello, and distinguished members of the Energy and Technology committee.

My name is Richard Benham and I am a Vice President of the Communications Workers of America Local 1298 representing more than 4,000 AT&T workers throughout the state of Connecticut.

Thank you for holding this public hearing and allowing us to speak today.

CWA has serious concerns about SB 1024 which does not contain sufficient protections for workers and communities in the event of the sale of a local or regional telecommunications network.

In our state, AT&T constantly complains that their “legacy” telephone network, or landline, is declining. But hundred of thousands of Connecticut citizens will rely on these lines for years to come, particularly consumers in rural areas, lower income consumers, seniors and DSL users. Telephone service quality and affordability are vital to these consumers.

Our concerns are based on practical experience with network sales in other states.

Specifically, in 2008, regulators in New Hampshire, Vermont and Maine approved the sale of Verizon’s network to FairPoint Communications, despite strong objections from CWA and IBEW, AARP, and other organizations, as well as many Verizon workers.

FairPoint went bankrupt soon after the sale. Service quality plunged immediately after the switchover in service, exactly as CWA predicted Network problems are devastating to local businesses because both telephone service and DSL run on these networks. FairPoint’s bankruptcy has endangered jobs and destabilized the local economy.

The same story took place when Verizon sold its network in Hawaii to the Carlyle Group in 2005.

No dominant telephone service provider, including AT&T, should be allowed to take value out of a declining network through a sale or merger without much stronger protections for consumers, workers and local economies.

Fortunately, we are not now facing a sale of this magnitude. But before the issue arises, and before the DPUC considers approving a network sale or merger, the legislature should pass clear guidelines that strengthen protections for consumers, telecommunications workers and jobs.. SB 1024 does not contain such guidelines and appears to be an attempt to make it easier to sell telecom networks, not strengthen protections for consumers and workers.

In New York State, in contrast, the State Assembly has passed legislation that strengthens the process. We would be happy to provide the proposed language.

We also wanted to note concern with the provisions of SB 1024 that reduce the requirements for telecommunications providers to detail their activities to regulators through an auditing process. Such a change needs close examination to prevent unintended consequences.

Finally, SB 1024 changes the rate setting guidelines.

Regulatory protections are generally hated by the industries that are affected, because they want the ability to do whatever they want with no interference. But in the wake of the financial crisis, the BP oil spill and the Massey mine disaster, should we really be reducing regulatory protections?

We are ready to work with you to make SB 1024 a bill that protects workers and consumers. That is the direction we should be heading, not just protecting only AT&T and other corporate interests.

Again, thank you for this opportunity to speak before you . We are more than happy to answer any questions that you may have as best as we can.